



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 08-2240

Released: October 6, 2008

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CERTAIN
ASSETS OF CVT PREPAID SOLUTIONS, INC., CVTEL LICENSE CORPORATION
TO STI PREPAID, LLC**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-202

Comments Due: October 20, 2008

Reply Comments Due: October 27, 2008

On September 18, 2008, CVT Prepaid Solutions, Inc. (CVT), CVTel License Corporation (CVTel) and STi Prepaid, LLC (STi Prepaid) (collectively, Applicants) filed the following application pursuant to section 63.03 of the Commission's rules requesting approval to transfer certain CVT and CVTel assets to STi Prepaid.¹ CVTel is a direct, wholly owned subsidiary of CVT. Both are Delaware corporations that provide interstate telecommunications services nationwide. STi Prepaid, a Delaware limited liability company, provides interstate telecommunications services nationwide. Applicants describe the ownership of STi Prepaid as follows: BEI Prepaid, LLC, a Delaware-based telecommunications holdings company, owns a 75 percent interest in STi Prepaid. David Larsen, a U.S. citizen, holds a 10 percent non-voting membership interest in BEI Prepaid, LLC. BEI Prepaid Holdings, LLC, also a Delaware-based telecommunications holding company, owns a 90 percent membership interest and a 100 percent voting interest in BEI Prepaid, LLC. BEI Prepaid Holdings, LLC is a wholly-owned subsidiary of Baldwin Enterprises Inc., a Colorado corporation whose principal business is investment. Baldwin Enterprises Inc. is a wholly-owned subsidiary of Phlcorp, Inc., a Pennsylvania corporation whose principal business is investment holdings. Phlcorp, Inc. is a wholly-owned subsidiary of Leucadia National Corporation, a publicly-traded New York investment corporation. Ian Cumming and Joseph Steinberg, both U.S. citizens, each hold a 13 percent interest in Leucadia National Corporation. ST Finance, LLC, a Delaware limited liability company whose principal business is securities holdings, owns a 25 percent interest in STi Prepaid, and Samer Tawfik, a U.S. citizen, indirectly owns a 100 percent membership interest in ST Finance, LLC.²

¹ 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing an application for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic section 214 application on October 6, 2008.

² Applicants state that BEI Prepaid, LLC, BEI Prepaid Holdings, LLC, David Larsen, and ST Finance, LLC do not hold interests in telecommunications entities other than STi Prepaid. They state that Baldwin Enterprises Inc., Phlcorp, Inc., Leucadia National Corporation, Ian Cumming, and Joseph Steinberg hold approximately a 40 percent interest in entities providing telecommunications services outside the U.S., and that Samer Tawfik owns a 100 percent interest in Dialaround Enterprises Inc. (DEI) that provides interstate and intrastate interexchange services in all states except Alaska, Delaware, and Tennessee.

Pursuant to the terms of the proposed transaction, CVT will transfer all of its assets related to the provision of prepaid calling card services, including card inventory, customer agreements and contracts, vendor agreements and contracts, prepaid card point of sale and promotional materials, and the rights to host personal identification numbers used to make prepaid calls, to STi Prepaid.³ Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Application Filed for the Transfer of Certain Assets of CVT Prepaid Solutions, Inc.,
CVTel License Corporation to STi Prepaid, LLC, WC Docket No. 08-202 (filed Sept. 18,
2008).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before October 20, 2008**, and reply comments **on or before October 27, 2008**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁵ Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's eRulemaking Portal. *See* 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal eRulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

In addition, email one copy of each pleading to each of the following:

³ Applicants state that they will take steps to ensure customers using CVT and CVTel prepaid cards are on notice that STi Prepaid will be the new service provider by connecting customers who call the number listed on CVT-branded cards to STi Prepaid's customer service representatives.

⁴ 47 C.F.R. § 63.03(b)(2)(i).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: 202 / 488-5300; fax: 202 / 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 3) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 4) David Krech, International Bureau, Policy Division, International Bureau, david.krech@fcc.gov;
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: 202 / 488-5300; fax: 202 / 488-5563; email: fcc@bcpiweb.com; url: www.bcpiweb.com.

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For further information, please contact Tracey Wilson-Parker at 202 / 418-1394 or Jodie May at 202 / 418-0913.

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